

BARBARA LAWALL
PIMA COUNTY ATTORNEY
CIVIL DIVISION
By: German Yusuf (GY 1553)
Deputy County Attorney
32 North Stone Avenue, Suite 2100
Tucson, Arizona 85701
Telephone: (520) 740-5750
Facsimile: (520) 620-6556
AZ State Bar No. 023544
Attorney for Creditor Pima County

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
	:	
	:	Chapter 11
In re:	:	
	:	Case No. 05-44481 (RDD)
DELPHI CORPORATION, et al.,	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
	:	
-----	X	

PIMA COUNTY'S OBJECTION TO MOTION FOR ORDERS UNDER 11 U.S.C. §§ 363 AND 365 AND FED. R. BANKR. P. 2002, 6004, 6006, AND 9014 (A) APPROVING (I) BIDDING PROCEDURES, (II) CERTAIN BID PROTECTIONS, (III) FORM AND MANNER OF SALE NOTICES, AND (IV) SALE HEARING DATE AND (B) AUTHORIZING AND APPROVING (I) SALE OF CERTAIN OF DEBTORS' ASSETS COMPRISING ASSETS EXCLUSIVELY USED IN DEBTORS' BRAKE HOSE BUSINESS FREE AND CLEAR OF LIENS, CLAIMS, AND ENCUMBRANCES, (II) ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (III) ASSUMPTION OF CERTAIN LIABILITIES

COMES NOW secured creditor Pima County, by and through undersigned counsel, and objects to the Debtors' Motion for Orders to the extent it seeks approval of the sale of Debtors' assets free and clear of liens.

1. Pima County is a secured creditor with a claim for personal property taxes against Debtor Delphi Automotive Systems for tax year 2005. The claim, which currently totals

\$9,138.54, is secured by a first priority statutory lien on the personal property on which the taxes are owed. *See* Arizona Revised Statutes § 42-17154.

2. Under state law, the lien may not be removed until all taxes and interest have been paid. A.R.S. § 42-17153(C)(2).

3. Pima County is unable to determine from the Debtors' Motion, which requests that the property be sold free and clear of liens, but does not provide that any liens will attached to the proceeds of the sale, whether the property proposed to be sold includes the property securing Pima County's claim.

WHEREFORE, pursuant to 11 U.S.C. § 363(e), Pima County respectfully requests that the Court deny Debtors' Motion unless it is amended to provide that any liens on the assets proposed to be sold will attach to the proceeds of the sale.

Dated this 12th day of March, 2007.

BARBARA LAWALL
PIMA COUNTY ATTORNEY



German Yusufov (GY 1553)
Deputy County Attorney
32 North Stone Avenue, Suite 2100
Tucson, Arizona 85701
Telephone: (520) 740-5750
Facsimile: (520) 620-6556
Attorney for Creditor Pima County

CERTIFICATE OF SERVICE

I, Gina Inman, certify that on the 12th day of March, 2007, I caused to be served a true and correct copy of Pima County's Objection To Motion for Orders on the following:

Hon. Robert D. Drain
United States Bankruptcy Court
Southern District of New York
300 Quarropas Street
White Plains, NY 10601-4140

Kayalin A. Marafioti
Skadden, Arps, Slate, Meagher & Flom, LLP
Four Times Square
New York, NY 10036
Attorneys for Debtors

Mark A. Broude
Latham & Watkins
885 Third Avenue
New York, NY 10022-4802
Attorneys for the Creditors' Committee

Alicia M. Leonhard
Office of the United States Trustee
Southern District of New York
33 Whitehall Street, Suite 2100
New York, NY 10004



Gina Inman